

Amendments to the Claims

The following listing of claims replaces all prior listings and versions of claims in this application.

1. (Currently Amended) A system for administering a payout option of an individual annuity contract of a contract owner, wherein said individual annuity contract is a variable annuity contract or a fixed annuity contract, said system comprising:

a memory including data relating to said individual annuity contract stored therein, said data including an associated payout option which permits the contract owner of said individual annuity contract to request and withdraw ~~an amount of principal~~ from the annuity during a payout phase of the individual annuity contract; ~~and~~

a processor operatively coupled to said memory configured to read the associated payout option, to provide that option to a system user, and to calculate and issue a payout in response to a request from said contract owner for a withdrawal ~~of the amount of principal~~ from said annuity; and

wherein the system is configured to provide to the user during a payout phase a selectable option with which the user interacts to surrender the annuity to receive a payout for surrendering the annuity contract during the payout phase.

2. (Currently Amended) The system of claim 1 wherein the option further includes providing the user with the ability to withdraw a portion of a present value of the annuity contract during the payout phase ~~n the amount withdrawn is a portion of the entire principal.~~

3. (Currently Amended) The system of claim 1 wherein the annuity contract has a payout phase specified to a certain age~~amount withdrawn is the entire principal.~~

4. (Original) The system of claim 1 wherein said processor is further configured to calculate a withdrawal charge and deduct said withdrawal charge from said payout.

5. (Currently Amended) A method of administering a payout option of an individual annuity contract of a contract owner, wherein said individual annuity contract is a variable annuity contract or a fixed annuity contract, said method comprising the steps:

storing data relating to said individual annuity contract in a memory, said data including an associated payout option which permits the contract owner of said individual annuity contract to request and withdraw an amount ~~of principal~~ from the annuity during a payout phase of the individual annuity contract;

after entry into the payment phase, receiving a request from said contract owner for a withdrawal of the amount ~~of principal~~ from said annuity at a processor coupled to the memory;

using the processor to calculate a payout ~~of principal~~ to said contract owner in response to said request when the processor determines that scheduled payments under the payout phase will not be reduced below a minimum value for remaining payments under the payout phase;

providing an option to a user to interact with a processor to select to surrender the annuity contract during the payment phase; and

issuing said payout ~~of principal~~ to said contract owner.

6. (Currently Amended) The method of claim 5 wherein the amount withdrawn is a portion of the current value of the annuity ~~entire principal~~.

7. (Currently Amended) The method of claim 5 wherein the amount withdrawn ~~is the entire principal~~ surrenders the annuity contract.

8. (Original) The method of claim 5 comprising the further steps of calculating a withdrawal charge and deducting said withdrawal charge from said payout.

9. (Currently Amended) A system for administering an annuity contract comprising:
a database provides storage to information related to the annuity contract, the information including a payout option and an annuitization date, wherein a computer is configured to
determine whether the contract has annuitized based on the annuitization date;
access the database to determine the payout option;

calculates an annuity payment based on the payout option, wherein the payout option is an option where payments are made to a predetermined age;

determine entry into a payout phase after the annuitization date, ~~wherein the payout option is an option where payments are made to a predetermined age;~~

after entry into the payment phase, calculate one of a partial withdrawal amount and a surrender amount based on information in the database; and

generates an output corresponding to the partial withdrawal amount or the surrender amount.

10. (Currently Amended) The system of [[C]]claim 9 wherein the database is further configured to store an amount annuitized, an age of annuitant, an annuity factor, a unit value and an assumed investment return (AIR) and the computer is configured to check the database to determine the number of units that are payable in an annuity payment, the number of units paid being calculated using the equation:

$$\text{Units Paid} = (\text{Amount Annuitized}) \times \frac{\text{Annuity Factor}}{\text{Unit Value}} ; \text{ and}$$

calculate the annuity payment based on the units paid.

11. (Currently Amended) The system of [[C]]claim 10 wherein the computer is configured to calculate the annuity factor using the equation:

$$\frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,

$I_0 = \text{AIR}$,

$d = I_0 v$, and

$n = (\text{the predetermined age}) - (\text{the age of annuitant on the annuitization date})$

12. (Currently Amended) The system of [[C]]claim 9 wherein the database is configured to store an amount annuitized, an annuity factor, a unit value, an assumed investment return (AIR) ,and the computer is configured to check the database to determine a total number of payments for the contract determine the number of units that are payable in an annuity payment, the number of units paid being calculated using the equation:

$$\text{Units Paid} = \frac{((\text{Amount Annuitized})/(\text{Total Number of Payments}))}{\text{Unit Value}} \text{ and};$$

calculate the annuity payment based on the units paid.

13. (Currently Amended) The system of [[C]]claim 9 wherein the database stores an annuity principal, annual payments, conditions for withdrawal, an age of annuitant, and remaining payments and said computer is configured to check the database to

- receive a request for a partial withdrawal of the annuity principal;
- determine whether the request meets the conditions for withdrawal;
- determine whether the contract was annuitized during a surrender charge period;
- determine a percentage of the annual payments to be withdrawn; and
- calculate a present value of a percentage of the remaining payments using the equation:

$$\text{Present value} = (\text{percentage of annual payments to be withdrawn}) \times (\text{annual payment}) \times \frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,

$I_0 = \text{AIR}$,

$d = I_0v$, and

$n = (\text{predetermined age}) - (\text{the age of annuitant on the annuitization date})$.

14. (Currently Amended) The system of [[C]]claim 13 wherein the processor
the processor provides an amount waived and a percentage (%) withdrawn; and
the processor calculates a reduction in the present value using the equation:

$$\text{Reduction} = \frac{(\text{Amount waived}) \times (\% \text{ withdrawn}) \times \left(\begin{array}{l} \text{number of payments not yet paid until a surrender} \\ \text{charge of the contract in a deferred phase would have} \\ \text{expired} \end{array} \right)}{\left(\begin{array}{l} \text{Total number of payments to be paid at time of} \\ \text{annuitization until the surrender charge of the contract in} \\ \text{the deferred phase would have expired} \end{array} \right)}$$

15. (Currently Amended) The system of [[C]]claim 14 wherein the step of calculating the partial withdrawal amount includes subtracting the reduction from the present value.

16. (Currently Amended) The system of [[C]]claim 9 further comprising:

the database stores an age of annuitant, annual payment and a surrender charge period,
and said computer is configured to check the database to;

determine whether a ~~contractowner~~ contract owner is requesting to surrender the annuity contract;

determine whether the annuity contract was annuitized during the surrender charge period; and

calculate a present value of a percentage of the remaining payments using the equation:

$$\text{Present value} = (\text{annual payment}) \times \frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,

$I_0 = \text{AIR}$,

$d = I_0 v$, and

$n = (\text{predetermined age}) - (\text{the age of annuitant on the annuitization date})$.

17. (Currently Amended) The system of [[C]]claim 16 wherein the computer is configured to provide an amount waived and a percentage (%) withdrawn, and to calculate a reduction in the present value using the equation:

$$\text{Reduction} = \frac{(\text{Amount waived}) \times (\% \text{ withdrawn}) \times \left(\begin{array}{l} \text{number of payments not yet paid until a surrender} \\ \text{charge of the contract in a deferred phase would have} \\ \text{expired} \end{array} \right)}{\left(\begin{array}{l} \text{Total number of payments to be paid at time of} \\ \text{annuitization until the surrender charge of the contract in} \\ \text{the deferred phase would have expired} \end{array} \right)}.$$

18. (Currently Amended) The system of [[C]]claim 17 wherein the computer is configured to calculate the surrender amount by subtracting the reduction from the present value.

19. (Currently Amended) The system of [[C]]claim 9 wherein the computer is configured to generate a signal signaling production of a check for one of the partial withdrawal amount and the surrender amount.

20. (Currently Amended) A system for administering an annuity contract comprising the instructions for:

a database provides store information, including an annuitization date and an assumed investment return (AIR); and

a computer is configured to check the database to:

determine whether the contract has annuitized based on the annuitization date;
access the database to determine the payout option;
determine entry into a payout phase after the annuitization date, wherein the
payout option is an option where payments are made to a predetermined age;
after entry into the payment phase, calculate a reserve amount based on
information in the database; and
the processor computer is further configured to generates an output corresponding to the
reserve amount and to provide an option to a user to select to surrender the annuity contract
during the payment phase and to generate a surrender value to be paid to the contract owner.

21. (Currently Amended) The system of [[C]]claim 20 wherein the computer is
further configured to determine a payment and a number of payments remaining on the contract;
and to calculate a reserve amount, wherein the reserve amount is calculated using the equation:

$$\text{Reserve} = \text{Payment} \times \frac{1}{((1-v^x)/d)}$$

where $v = 1/(1 + I_0)$,
 $I_0 = \text{AIR}$,
 $d = I_0 v$, and
 $x = \text{number of payments remaining on the contract}$.

22. (Currently Amended) The system of [[C]]claim 20 wherein the computer is further
configured to discount the reserve at an interest rate equal to the AIR.

23. (Currently Amended) The system of [[C]]claim 22 wherein the computer is further
configured to generate a signal signaling production of a check for the reserve amount.

24. (Currently Amended) A method of administering an annuity contract comprising:
providing a database to store information related to the annuity contract, the information
including a payout option and an annuitization date;
determining whether the contract has annuitized based on the annuitization date;
accessing the database to determine the payout option;

calculating an annuity payment based on the payout option;
determining entry into a payout phase after the annuitization date, wherein the payout option is an option where payments are made to a predetermined age;
after entry into the payment phase, calculating one of a partial withdrawal amount and a surrender amount based on information in the database, wherein a processor receives a request for a withdrawal amount during the payment phase and applies the withdrawal amount to information associated with an individual annuity and further generates an output to permit the withdrawal when scheduled payments under the payment phase are not reduced below a threshold amount; and
generating an output corresponding to the partial withdrawal amount or the surrender amount.

25. (Previously Presented) The method of claim 24 further comprising
storing an amount annuitized, an age of annuitant, an annuity factor, a unit value and an assumed investment return (AIR) in the database;
determining the number of units that are payable in an annuity payment, the number of units paid being calculated using the equation:

$$\text{Units Paid} = (\text{Amount Annuitized}) \times \frac{\text{Annuity Factor}}{\text{Unit Value}} ; \text{ and}$$

calculating the annuity payment based on the units paid.

26. (Previously Presented) The method of claim 25 further comprising calculating the annuity factor using the equation:

$$\frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,
 $I_0 = \text{AIR}$,
 $d = I_0 v$, and
 $n = (\text{the predetermined age}) - (\text{the age of annuitant on the annuitization date})$

27. (Previously Presented) The method of claim 24 further comprising
 storing an amount annuitized, an annuity factor, a unit value, an assumed investment
 return (AIR) in the database;
 determining a total number of payments for the contract;
 determining the number of units that are payable in an annuity payment, the number of
 units paid being calculated using the equation:

$$\text{Units Paid} = \frac{((\text{Amount Annuitized})/\text{Total Number of Payments})}{\text{Unit Value}} \quad \text{and};$$

calculating the annuity payment based on the units paid.

28. (Previously Presented) The method of claim 24 further comprising;
 storing an annuity principal, annual payments, conditions for withdrawal, an age of
 annuitant, and remaining payments in the database;
 receiving a request for a partial withdrawal of the annuity principal;
 determining whether the request meets the conditions for withdrawal;
 determining whether the contract was annuitized during a surrender charge period;
 determining a percentage of the annual payments to be withdrawn; and
 calculating a present value of a percentage of the remaining payments using the equation:

$$\text{Present value} = (\text{percentage of annual payments to be withdrawn}) \times (\text{annual payment}) \times \frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,

$I_0 = \text{AIR}$,

$d = I_0 v$, and

$n = (\text{predetermined age}) - (\text{the age of annuitant on the annuitization date}).$

29. (Previously Presented) The method of claim 28 further comprising:
 providing an amount waived and a percentage (%) withdrawn; and
 calculating a reduction in the present value using the equation:

$$\text{Reduction} = \frac{(\text{Amount waived}) \times (\% \text{ withdrawn}) \times \left(\begin{array}{l} \text{number of payments not yet paid until a surrender} \\ \text{charge of the contract in a deferred phase would have} \\ \text{expired} \end{array} \right)}{\left(\begin{array}{l} \text{Total number of payments to be paid at time of} \\ \text{annuitization until the surrender charge of the contract in} \\ \text{the deferred phase would have expired} \end{array} \right)}$$

30. (Previously Presented) The method of claim 29 wherein the step of calculating the partial withdrawal amount includes subtracting the reduction from the present value.

31. (Currently Amended) The method of claim 24 further comprising:
 storing an age of annuitant, annual payment and a surrender charge period in the database;
 determining whether a ~~contract owner~~ contract owner is requesting to surrender the annuity contract;
 determining whether the annuity contract was annuitized during the surrender charge period; and
 calculating a present value of a percentage of the remaining payments using the equation:

$$\text{Present value} = (\text{annual payment}) \times \frac{1}{((1-v^n)/d)}$$

where $v = 1/(1 + I_0)$,
 $I_0 = \text{AIR}$,
 $d = I_0 v$, and
 $n = (\text{predetermined age}) - (\text{the age of annuitant on the annuitization date})$.

32. (Previously Presented) The method of claim 31 further comprising:
 providing an amount waived and a percentage (%) withdrawn; and
 calculating a reduction in the present value using the equation:

$$\text{Reduction} = \frac{(\text{Amount waived}) \times (\% \text{ withdrawn}) \times \left(\frac{\text{number of payments not yet paid until a surrender charge of the contract in a deferred phase would have expired}}{\text{Total number of payments to be paid at time of annuitization until the surrender charge of the contract in the deferred phase would have expired}} \right)}{1}$$

33. (Previously Presented) The method of claim 32 wherein the step of calculating the surrender amount includes subtracting the reduction from the present value.

34. (Previously Presented) The method of claim 24 further comprising signaling production of a check for one of the partial withdrawal amount and the surrender amount.

35. (Currently Amended) A method of administering an annuity contract comprising:
 providing a database to store information, including an annuitization date and an assumed investment return (AIR);
 determining whether the contract has annuitized based on the annuitization date;
 accessing the database to determine the payout option;
 determining entry into a payout phase after the annuitization date, wherein the payout option is an option where payments are made to a predetermined age;
after entry into the payment phase, calculating a reserve amount based on information in the database including one or more separate withdrawals made during the payout phase that are processed and issued when the post-withdrawal payments under the payout phase are above a pre-set minimum; and
 generating an output corresponding to the reserve amount; and
providing an option to a user to interact with a processor to select to surrender the annuity contract during the payment phase.

36. (Previously Presented) The method of claim 35 further comprising:
 determining a payment and a number of payments remaining on the contract; and
 calculating a reserve amount, wherein the reserve amount is calculated using the

equation:

$$\text{Reserve} = \text{Payment} \times \frac{1}{((1-v^x)/d)}$$

where $v = 1/(1 + I_0)$,

$I_0 = \text{AIR}$,

$d = I_0v$, and

$x = \text{number of payments remaining on the contract.}$

37. (Previously Presented) The method of claim 36 further comprising discounting the reserve at an interest rate equal to the AIR.

38. (Previously Presented) The method of claim 35 further comprising signaling production of a check for the reserve amount.